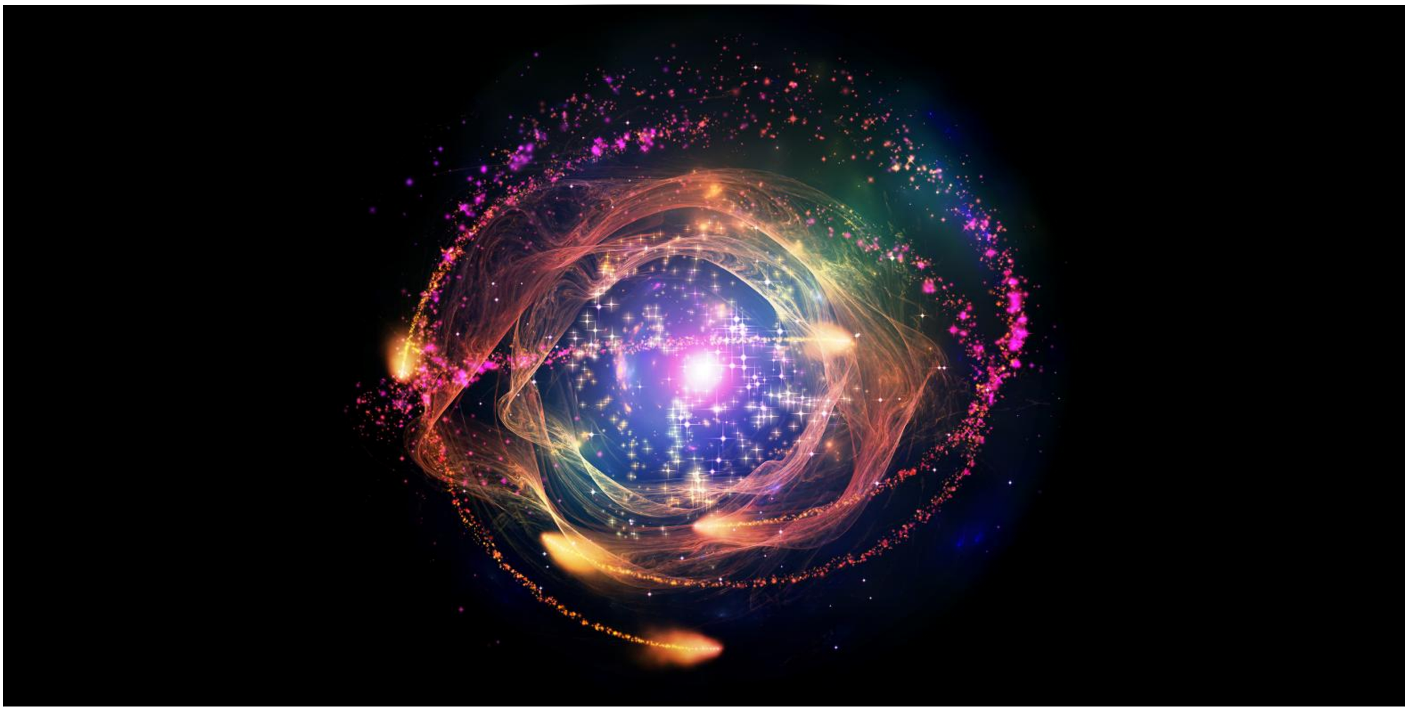
Deloitte.



A CFOs Guide to AI Value Realisation

AI investments are reshaping industries, yet many organisations struggle to deploy scarce resources effectively across multiple potential AI use cases without clear visibility into which initiatives deliver measurable value. The challenge is not a lack of AI ideas, but a lack of measurement discipline. Deloitte's balanced scorecard framework enables leaders to measure AI ROI rigorously, learn from early experimentation, and allocate resources to the highest-impact initiatives while maintaining financial governance and compliance with evolving accounting standards.

The Challenge of Measuring AI ROI

Today, many organisations face critical challenges in how AI return on investment is framed, measured, and communicated. Industry challenges include:

Fragmented AI sets:
AI initiatives, if tracked at all, are often tracked across functions with no coherent portfolio view or consistent comparison methodology, making it impossible to prioritise investments or allocate resources strategically.

Narrow Financial Focus:
Business cases emphasize cost savings and revenue uplift, overlooking strategic positioning, capability building, and competitive advantage: dimensions that matter equally to boards and regulators.

Attribution Complexity:
AI-driven improvements are co-mingled with process redesign, regulatory changes, and technology upgrades, making it difficult to isolate the true contribution of AI and defend ROI claims to stakeholders.

Evolving Success Criteria:
Exploratory AI initiatives struggle to define clear success metrics upfront: metrics that are specific, measurable, and time-bound. This leads to shifting targets, unstable ROI assessments, and difficulty in governance and accountability.

Why Traditional ROI Methods Fall Short for AI

AI ROI follows standard investment principles, but three complications demand rigorous discipline:

Model Drift	Attribution Opacity	Cost Volatility
AI models degrade over time. Traditional ROI assumes stable performance; AI requires continuous monitoring and re-baselining.	AI's black-box nature obscures causation. Traditional investments have clearer causal chains. AI requires control groups from day one.	Cloud and token pricing shifts rapidly. Traditional capex is fixed; AI opex is fluid. Organisations must embed contingency planning into governance.

Why Organisations Struggle to Realise AI Value

Understanding the root causes of failure is essential to designing effective solutions. Organisations typically stumble in three areas:

Absence of Pre-Deployment Baselines
Without a locked, system-of-record baseline established before AI deployment, it is impossible to measure incremental value. Many organisations attempt to retrofit baselines after go-live, introducing bias and uncertainty. This is the single largest source of indefensible ROI claims.

Weak Attribution Methodology
When multiple initiatives overlap (process redesign, data improvements, technology upgrades), organisations cannot isolate AI’s contribution. Without control groups, A/B testing, or documented holdout strategies, ROI becomes a guessing game. Finance teams cannot defend these claims to boards or regulators.

Lack of Operating Model Maturity
Even with good measurement frameworks, organisations fail to realise value due to gaps in data governance, change management, and upskilling. The best KPI architecture cannot overcome poor data quality, resistance to change, or insufficient training. Value realisation requires organisational readiness, not just measurement rigour.

The Solution: A Balanced Scorecard Framework for Measuring AI ROI

Deloitte advocates a balanced scorecard methodology that combines financial and non-financial metrics with explicit weighting:

- Financial Metrics: Net ROI, payback period, cost-to-serve reduction, revenue uplift
- Operational Excellence & Capacity Building: Cycle time reduction, error rate improvement, automation rate, workforce capability gains.

Financial Contribution KPIs	Operational Excellence KPIs
FTE Savings	Employee Adoption
Error Rate	User Satisfaction
Process Cycle Time	Take up rate
Cost per Transaction	Change Readiness
Revenue Uplift	Talent Upskill Rate

Example financial and Operational metrics

Most organisations only focus on financial metrics, leading to skewed investment decisions. Leading companies build a framework that enables defensible investment decisions and portfolio-level comparability.

Implementing AI ROI Measurement

Credible measurement requires for disciplines:

System-measurable, risk-adjusted KPIs derived from **system-of-record data**	**Rigorous attribution methodology** using control groups or holdout strategies to **isolate AI-driven value from parallel initiatives**	**Continuous monthly monitoring with annual re-baselining** to detect model drift, cost volatility, and business condition changes	**Explicit governance with hurdle rates and portfolio** discipline to reallocate resources from underperforming to high-ROI initiatives.

Accounting Considerations

AI investments typically have multi-year lifespans requiring capitalisation treatment. A hybrid approach is essential: capitalise core platforms and reusable components; expense maintenance, training, and change management.

The unit of account for capitalisation may differ from ROI measurement—an organisation might measure ROI at use-case level while capitalizing at platform level.

US GAAP ASU 2025-06 (effective 2028) modernises internal-use software (including AI) capitalisation:

01	Capitalisation begins when probable-to-complete thresholds are met
02	Flexibility in defining units of account based on organisational structure
03	Explicit guidance on capitalising configuration, customisation, and testing in cloud environments

Finance teams must document this distinction and ensure compliance with evolving standards (US GAAP ASU 2025-06, IAS 38).

System-of-record ROI data provides a natural foundation for capitalisation decisions. By tracking KPIs from deployment onwards, finance teams justify capitalisation to auditors with credible evidence. This same data flags model obsolescence immediately, enabling swift impairment reviews and write-offs. Rigorous ROI measurement and sound accounting treatment are not separate disciplines—they are two sides of the same governance framework.

Only **6%** reported payback in under a year, and even among the most successful projects, just **13%** saw returns within 12 months.

Deloitte 2025 AI ROI Survey[1]

[1] https://www.deloitte.com/ch/en/issues/generative-ai/switzerland-invests-in-ai.html

Operating Model for Sustainable AI ROI

Measurement frameworks alone do not guarantee value realisation. Organisations must also address three critical operating model dimensions:

Data Governance & Quality
System-of-record data must be accurate, complete, and accessible. Many organisations lack clear data ownership, consistent definitions, or audit trails.

Change Management & Organisational Readiness
AI implementations fail when organisations underestimate change management. Users resist new processes, data quality suffers, and value leaks away.

Upskilling & Capability Building
Finance teams must understand AI ROI measurement. Operations teams must understand new processes. Data teams must understand KPI requirements. Without cohesive upskilling across functions, governance breaks down and measurement rigor decays over time.

How Can Deloitte Support You

Deloitte provides a tried-and-tested, integrated approach combining two core capabilities:

Baseline Establishment Accelerator
Captures pre-AI system-of-record data, locks baselines, and documents assumptions. Supports the balanced scorecard framework with clear before-and-after KPI measurements, audit trails, and sign-off workflows.

AI Governance using Deloitte's Proprietary, Technology-Enabled Platform
Automates KPI measurement through the AI development lifecycle, tracks capitalisation decisions, and maintains compliance audit trails. Supports real-time monitoring, attribution methodology design, scorecard configuration, and governance workflows.

Deloitte's integrated framework aligns ROI measurement, accounting treatment, and operating model maturity from the outset, reducing friction across finance, operations, and AI teams.

Your Next Step

The cost of measurement discipline is far lower than the cost of indefensible ROI claims. If your organisation is deploying multiple AI initiatives without locked baselines, clear attribution methodology, or balanced scorecard governance, you are accumulating financial and regulatory risk.

Contact us today to discuss how Deloitte can help you establish defensible AI ROI measurement and governance before your next deployment.

Contacts

Boon Tan

Partner
Audit & Assurance
Tel: + 41 58 279 7727
Mobile: + 41 79 879 71 52
Email: kyam@deloitte.ch

Ken Yam

Executive Director
Audit & Assurance
Tel: + 41 58 279 6796
Mobile: + 41 79 850 60 12
Email: kyam@deloitte.ch

Emma Pinnock

Senior Manager
Audit & Assurance
Tel: + 41 58 279 7063
Mobile: + 41 79 912 31 08
Email: epinnock@deloitte.ch